(c) 33 new telephone exchanges are proposed to be set up during 1999-2000 out of which 10 have been commissioned.

Losses to Basic and Cellular Licensees due to High Licence Fee

672. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that the existing licensees for both basic and cellular services had represented before Government that they were incurring heavy losses due to high licence fees as per their contractual obligations; and

(b) if so, the details of the financial memorandum of each of these companies indicating their investment, operational cost, number of subscribers, average share prices, at which off-loaded, if any, and profit/loss year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Sir, Basic Service licensees made representation against delay in implementation of their projects on account of the delays in permissions/approvals from concerned Government agencies. The Cellular operators and their association have represented that their projects were not financially viable due, *inter alia,* to high licence fee quoted by them.

(b) The information is being collected and will be laid on the Table of the house.

Migration of Private Licensees from Licence Fee Regime

673. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that the report by the Group on Telecom submitted on 26th March, 1999 ruled categorically against the migration of the existing private licensees from the licence fee regime to the revenue sharing arrangement under NTP '99 which was accepted by Government; and

(b) if so, the reasons for reversal of this decision by Government on 6th July, 1999 and reiterated by the new Government?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) and (b) A draft New Telecom Policy was recommended by the Group on Telecommunications (GOT) which was put up before the Cabinet on 26.3.1999 and approved. The Government have adopted the New Telecom Policy-1999 (NTP-99) to be effective from 1.4.1999.

The NTP-99 states that the New Policy framework which seeks to significantly redefine the competitive nature of industry, would be applicable to New Licensees. NTP-99 also announced the Government's intention to satisfactorily resolve the problems being faced by the existing operators in a manner which is consistent with the contractual obligations and is legally tenable.

While approving the New Telecom Policy, the Union Cabinet noted, *inter alia,* that it is in the public interest for the New Telecom Policy to be uniformly applicable all over the country; the Cabinet accordingly direct that the advice of the Attorney General be obtained on the issue as to whether it is legally possible to bring the existing licensees under the New Telecom Policy regime or alternatively, to extend the New Telecom Policy to the Circles where there are existing licensees, and if so, the appropriate modalities* therefor.

In accordance with the above direction of the Cabinets, advice of the Attorney General was obtained in the matter. In view of the advice of the AG, the migration policy was approved by the Cabinet on 6.7.1999; and a migration package was offered to the existing Basic and Cellular Service Licensees on 22.7.1999. The fact was offered to Radio Paging Service Operators on 2nd September, 1999.

A Public Interest Litigation challenging the migration policy was filed by Delhi Science Forum in Delhi High Court. The Hon'ble High Court issued interim orders dated 10.8.1999 to the effect of allowing the Government to permit migration in terms of the migration package subject to approval of the New Council of Ministers and disapproval, if any, by the New Lok Sabha. Next date of hearing in Delhi High Court is 6.12.1999. In terms of the Delhi High Court Order in PIL Case, the Cabinet again considered the matter in its meeting held on 21st October, 1999. While noting the contents of the

order dated 10.8.1999 of Hon'ble Delhi High Court, the Cabinet reconsidered the matter afresh and endorsed the decision taken by the Cabinet earlier in July, 1999 approving the policy of migration of the existing operators in terms of the offered package.

Modernisation and Expansion of Telecommunication in Orissa

674. SHRI ANANTA SETHI: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether Government have a proposal for the modernisation and expansion of Telecommunication facilities in the country particularly in Orissa during Ninth Five Year Plan;

(b) if so, the details of the proposal mooted in that regard; and

(c) the steps taken to implement those proposals?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) Massive modernisation and expansion programme have been drawn up for the country including Orissa State during Ninth Five Year Plan. The details of proposal launched by the Government for modernisation of the Telecommunication services in the country and in Orissa State are given in statement I and II respectively. *(See* below)

During 9th plan it is proposed to replace all electromechanical exchanges into electronic. The pending capacity of 3.2 lakh lines as on 31.3.99 will be converted into electronic during this year. All exchanges in Orissa State are already made electronic.

(c) The plans are being made on yearly basis for various activities of modernisation and expansion. These are implemented depending on the availability of equipment, infrastructure and funds.

Statement-I

Modernisation and expansion programme in the country during Ninth Five Year Plan.

(i) To provide telephone on demand by the year 2002.

(ii) To provide telephone facility in all the villages by 2002.